



Steven K. Young, Director

Winnebago Compact Approved, Published in Federal Register

DES MOINES, IOWA (March 7, 2005) – The new gaming compact between the State of Iowa and the Winnebago Tribe of Nebraska (Tribe) became effective February 22, 2005, upon notice of its approval in a federal publication. The Indian Gaming Regulatory Act of 1988 (IGRA) requires that the Secretary of United States Department of the Interior publish notice of approved Tribal-State compacts in the Federal Register. The State and the Tribe concluded Compact negotiations last December and forwarded the signed agreement to the Secretary for review and approval. The Director of the Iowa Department of Inspections and Appeals (Department) is charged with the statutory responsibility to enter into and implement agreements or compacts between the State and Indian Tribes located in the state, which are entered into under the authority of IGRA. Iowa Code section 10A.104(10).

IGRA very clearly stipulates permissible topics of negotiations and areas allowed to be included in a compact. Tribal gaming operations cannot be “taxed” by a state. 25 U.S.C. section 2710 (d)(4). Net “revenues” from tribal gaming are not to be used for any purpose other than: (i) to fund tribal government operations or programs, (ii) to provide for the general welfare of the Indian tribal and its members, (iii) to promote tribal economic development, (iv) to donate to charitable organizations, or (v) to help fund operations of local government agencies. 25 U.S.C. section 2710 (b)(2)(B). A compact may include an assessment by the state of such activities in such amounts as are necessary to defray the costs of regulating such activity or any other subjects that are directly related to the operating of the gaming activities. These are typically referred to as “actual” costs. 25 U.S.C. sections 2710 (c)(C)(iii) and (vii).

The first Compact with the Tribe was entered into in 1992, and covered a period of seven (7) years. It allowed for extension of its terms through mutual agreement of the parties. The most recent Compact was renegotiated in 1998 and covered a period of eight (8) years. The Compact would have expired on December 31, 2006, but was renegotiated early by request of the Tribe. On December 7, 2004, the newly negotiated Compact was agreed to and executed by both parties, then forwarded to the Secretary of the Interior for review and subsequent approval.

The new Compact respects the spirit and intent of IGRA. The Compact provisions permits reimbursement to State entities other than the Department for actual costs attributed to regulatory enforcement, payment to the State to defray some portion of gambling addiction treatment costs, and, among other provisions, requires that the Tribe enter into good faith negotiations with local governments for payment of services impacted by gaming operations. The prior Compact contained no provisions similar to those identified above.

Among many of the significant provisions, the Compact specifically addresses the following issues:

- The compact is effective through December 31, 2012, and shall renew automatically for successive eight (8) year terms unless either party provides notice of its intent to renegotiate Compact terms.
- Payment of \$40,000 by the Tribe to the Department no later than January 1, 2005, to defray actual costs of regulatory oversight. Thereafter, the Tribe shall remit annually during the term of the Compact the sum of \$40,000, increased each year by a percentage equal to the Consumer Price Index (CPI) to cover actual costs of Departmental regulatory enforcement.
- The Tribe will create an escrow account at an off-settlement bank with an initial contribution of \$25,000 for the first year of the Compact. This escrow account is to reimburse State entities other than the Department for actual expenses incurred in performing regulatory oversight. By way of example, these State entities may include the Office of the Attorney General and the Department of Public Safety.
- The Tribe will continue its contributions to charitable organizations and causes by donating a maximum of \$200,000 annually from gaming revenues for charitable purposes.
- No later than January 1, 2005, and thereafter annually during the entire term of this Compact, the Tribe shall pay to the State an annual assessment in the amount of \$25,000, increased each year by a percentage equal to the CPI for the purpose of covering a portion of the actual costs expended for gambling addiction treatment.
- Prohibits anyone under the age of 21 from gambling.
- Provides that if the parties cannot agree to a resolution for a claimed non-material breach of the Compact, the parties will agree to the decision of an arbitrator.

- Provides for a mechanism to address claimed material breaches of the Compact.
- Provides the Tribe will honor all court-order child support and tax liability collections against persons employed by the gaming operation.
- Provides the Tribe will revoke the occupational license of any individual who fails to make court-ordered child support payments.
- Provides the Tribe will abide by all international building, mechanical, plumbing and fire codes in the construction or remodeling of gaming facilities.

“The relationship between the State of Iowa and the Winnebago Tribe of Nebraska rests on mutual trust and the recognition that each has a primary duty to protect both the gaming public and the integrity of gaming,” DIA Director Steve Young said. “The interest of both sovereigns have been contemplated and the process has resulted in a Compact that respects and is endorsed by both sovereigns. Tribal Chairman John Blackhawk and I firmly believe that this Compact is mutually beneficial to the State and Tribal members.”

Director Young also noted the Tribe’s long-standing support for charitable organizations and causes. “The Winnebago Tribe has been a major contributor to charitable organizations and causes in the region,” Director Young said. “Chairman Blackhawk and the Tribe are to be congratulated for their continued support of educational, civic, cultural, and historical preservation efforts.”

The Tribe began operation of its WinnaVegas Casino in Sloan, Iowa, on April 30, 1992. Chairman Blackhawk said he was pleased with the State’s prompt attention to the Tribe’s request to renegotiate the Compact early, adding: “Now that the Compact has been finalized, the Tribe will be able to secure financing to expand its operations in Sloan, including a planned hotel.”

A copy of the Indian Gaming Compact between the State of Iowa and the Winnebago Tribe of Nebraska can be found on the Iowa Department of Inspections and Appeals web site at the following address:

<http://www.state.ia.us/government/dia/Winnebago%20Gaming%20Compact.pdf>